AMENDMENT TO THE CLAIMS:

- 1. (Currently Amended) A tracking method for tracking a sensor in a capture range in a field generated by a field generator, the method comprising the steps of:
- (a) generating a field by means of the field generator for defining the capture range;
- (b) identifying a region of interest including the sensor within the capture range;
- (c) adjusting at least one of a size, direction and orientation of the capture range to a level where the sensor is located with an iteratively improved accuracy and resolution until a preselected accuracy and resolution are achieved
- (c) narrowing, focusing and centering the capture range by narrowing the field by means of the field generator;
 - (d) iteratively repeating steps (a) to (c).
- 2. (Original) The method of claim 1, wherein the field generator is a magnetic field generator and emits a magnetic field, wherein the magnetic field generator comprises at least one coil, further comprising the step of: adjusting a position of the at least one coil in the field generator for narrowing the capture range such that at least one of a size and shape of the capture range is reduced.
- 3. (Original) The method of claim 1, further comprising the step of displacing the field generator for narrowing the capture range.
- 4. (Original) The method of claim 1, wherein the field generator is a magnetic field generator and emits a magnetic field, wherein the magnetic field generator comprises at least one coil, further comprising the step of: adjusting an orientation of the at least one coil in the field generator for narrowing the capture range such that a location of the capture range is adjusted.

5. (Previously Presented) A tracking system for tracking a sensor in a capture range in a field generated by a field generator, wherein:

the field generator iteratively adjusts at least one of a size, direction and orientation of the capture range to a level where the sensor is located with an iteratively improved accuracy and resolution until a preselected accuracy and resolution are achieved; and

the field generator focuses, narrows, and centers the capture range to be focused on a region of interest.

- 6. (Original) The tracking system of claim 5, wherein the field generator is a magnetic field generator and emits a magnetic field; wherein the magnetic field generator comprises at least one coil; and wherein a position of the at least one coil in the field generator is adjustable for narrowing the capture range such that at least one of a size and shape of the capture range is reduced.
- 7. (Original) The tracking system of claim 5, wherein the field generator is movable for narrowing the capture range.
- 8. (Original) The tracking system of claim 5, wherein the field generator is a magnetic field generator and emits a magnetic field; wherein the magnetic field generator comprises at least one coil; and wherein an orientation of the at least one coil in the field generator is adjustable for narrowing the capture range such that a location of the capture range is adjusted.
- 9. (Previously Presented) A computer program product comprising computer program code means to perform the following steps when the computer program is executed on a computerized tracking system:
- (a) generating a field by means of the field generator for defining the capture range;
- (b) identifying a region of interest including the sensor within the capture range;

- (c) narrowing and focusing the capture range by narrowing the field by means of the field generator to the region of interest and improving a resolution with which a location of the region of interest can be resolved;
- (d) iteratively repeating steps (a) to (c) until the location of the region of interest is resolved with a selected resolution.

10. (Cancelled)

11. (New) The method of claim 1, wherein the sensor includes:

a miniaturized induction coil; outer dimensions of about 8mm by 0.8mm diameter; and a thin film of synthetic material coating.

- 12. (Currently Amended) The method of claim—I, wherein the field generator is a magnetic field generator and emits a magnetic field, the field generator-includings A tracking method for tracking a sensor in a capture range in a field generated by a field generator, the method comprising the steps of:
- (a) generating a field by means of the field generator for defining the capture range;
- (b) identifying a region of interest including the sensor within the capture range;
- (c) narrowing the capture range by narrowing the field by means of the field generator;
 - (d) iteratively repeating steps (a) to (c):

wherein the field generator is a magnetic field generator and emits a magnetic filed, the field generator including: two coils each mounted for rotation relative to a corresponding spaced axis; and,

actuators which rotate each of the coils relative to the corresponding axis.

- 13. (Previously Presented) The method of claim 1, further including the step of determining between steps (c) and (d) whether the accuracy and resolution provided within the capture range meets a preselected threshold.
- 14. (Previously Presented) The method of claim 1, wherein step (c) further includes improving a resolution with which the region of interest is identified as the capture ratio is narrowed.
- 15. (Previously Presented) The tracking system of claim 5, wherein the field generator includes:
- a plurality of differential coil assemblies, each differential coil assembly including a pair of opposite polarity coils with a common axis.
- 16. (Previously Presented) The tracking system of claim 15, wherein the sensor includes:

an induction coil coated with a thin film of synthetic material.

- 17. (Previously Presented) The tracking system of claim 5, wherein the field generator includes:
 - a first coil mounted to pivot about a first axis;
- a second coil mounted to pivot about a second axis, the second axis being parallel to the first;
- a plurality of actuators which rotate the first and second coils about the first and second axes, respectively;
- a control which controls the acutators to adjust an amount of rotation of the first and second coils to focus, center, and narrow the capture range.
- 18. (New) The tracking system of claim 5, wherein the field generator is a magnetic field generator and emits a magnetic filed, the field generator including: two coils each mounted for rotation relative to a corresponding spaced axis; and,

actuators which rotate each of the coils relative to the corresponding axis.